

complaint

Mr L says The Prudential Assurance Company Limited mis-sold him a mortgage payment protection insurance (MPPI) policy.

background

Mr L took out an MPPI policy with a mortgage in 1997. He paid a monthly amount for the policy which provided him with unemployment cover only.

Our adjudicator didn't uphold the complaint. Mr L disagreed with the adjudicator's opinion, so the complaint has been passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've set out our general approach to complaints about the sale of MPPI on our website and I've taken this into account in deciding Mr L's case.

I've decided not to uphold Mr L's complaint because:

- I think Prudential made Mr L aware that he had a choice about buying the MPPI, and that he chose to take it. Because of how long ago the policy was sold, Prudential can't give me copies of all of Mr L's signed paperwork. But Prudential has given me a copy of Mr L's '*personal financial review*' - so I think this shows that a discussion took place about the MPPI. And the fact that the policy was sold by Prudential who were separate to the mortgage lenders themselves, I think it's likely Mr L knew that this was a separate product to the mortgage and that it wasn't a condition of the lending. So taking everything into consideration, I haven't seen enough to say that Prudential didn't present the MPPI as an optional product, and I think it's likely Mr L chose to take the policy to protect his mortgage repayments.
- Prudential recommended the MPPI to Mr L, and it seems to have been right for him based on what I've seen of his circumstances at the time. The MPPI covered Mr L for unemployment only. So the policy would've paid the mortgage repayments if he was ever made redundant. And given that Mr L says he had no other means of making the repayments, I think he could've found the policy useful.
- I think Prudential could've explained the cost of the policy better than it did. But even if it had, I think Mr L still would've bought it. Mr L's mortgage was a long-term financial commitment secured on his home. And I appreciate that Mr L says he could've used Mrs L's salary to make the mortgage repayments. But if ever Mr L lost his job, the MPPI would've paid the mortgage repayments – leaving Mrs L's salary to be used for household bills and any other financial commitments they may have had. And people's financial circumstances can change. So although Mrs L may have wanted to help, she may not have been in the financial position to do so at the time. So I think the policy could've provided Mr L with a potentially valuable benefit.
- It's possible Prudential didn't point out the main things the policy didn't cover. But Mr L doesn't appear to have been affected by any of those things.

I've taken into account Mr L's comments, including what he says he was told by Prudential about making a claim. But this point doesn't change my conclusion.

my final decision

For the reasons set out above, I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 13 February 2017.

Helen Giles
ombudsman